

|            |  |             |                     |
|------------|--|-------------|---------------------|
| Headline   | Industry wary of the impact of natural gas tariff increase over the next three years |             |                     |
| MediaTitle | Malaysia SME   |             |                     |
| Date       | 20 Jan 2017  | Color       | Full Color          |
| Section    | NEWS   | Circulation | 50,000              |
| Page No    | 28   | Readership  | 150,000             |
| Language   | English  | ArticleSize | 109 cm <sup>2</sup> |
| Journalist | N/A  | AdValue     | RM 1,323            |
| Frequency  | Bi-Monthly   | PR Value    | RM 3,969            |



**Industry wary of the impact of natural gas tariff increase over the next three years**

**KUALA LUMPUR:** The Federation of Malaysian Manufacturers (FMM) released a statement in reply to a tariff rebate announced by the Energy Commission (ST).

The statement reads, "While the Federation of Malaysian Manufacturers (FMM) welcomes the announcement on the natural gas (NG) tariff rebate of RM0.40 per mmBtu for the period beginning from January to June 2017 as announced by the ST on December 28, 2016, industries have raised concerns on the impact of possible cumulative gas price increase of 22.6% by end of 2019 amid the uncertainty in the world economy in the next few years.

"ST had approved the average base tariffs for the regulatory period beginning January 1, 2017 to December 31, 2019 whereby the average base NG tariff is projected at RM32.74 per mmBtu by 2019 from RM26.71 per mmBtu in January 2017."

"FMM recognises that the Gas Cost Pass-Through (GCPT) mechanism is in place and that the average base tariff, which takes into account the increase in volume of LNG import and foreign exchange fluctuations, would be adjusted according to the GCPT announcement for the relevant period.

Nevertheless, FMM is hopeful that the Government would continue to consider industries competitiveness vis-à-vis regional competitors in the energy subsidy rationalisation and the proposed transition to market price and to continually assess the impact of price reviews against the prevalent economic and market conditions. "

"FMM would continue to advocate for a fair pricing of natural gas, in particular for the locally sourced piped gas, and seek further engagement with the Government to obtain further clarity on the basis of the average base tariff determination for the next three years."